

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING
OF PRYCE CORPORATION HELD AT VALLE VERDE COUNTRY CLUB,
PASIG CITY ON SEPTEMBER 27, 2002 AT 4:00 P. M.

The Chairman and President, Mr. Salvador P. Escaño presided and called the meeting to order at 4:30 p. m. The undersigned as Corporate Secretary certified that notices of the meeting were sent to stockholders of record as of September 9, 2002 at their given address and at the same time published in the Philippine Daily Star, Inc. on September 13, 2002. The undersigned certified too that a quorum was present because 1,306,937,452 shares out of the issued and outstanding shares of 1,822,993,750 or 71.69% entitled to vote were present in person or by proxy.

The next item on the agenda was the reading and approval of the minutes of the previous annual stockholders meeting held on June 29, 2001. Inasmuch as copies of the minutes of the previous meeting were furnished the stockholders present before the meeting, on motion duly made and seconded, it was unanimously

“RESOLVED, that the reading of the Minutes of the annual meeting held on June 29, 2001, be, dispensed with and the same be, as it is hereby, approved.”

The next item on the agenda being the report of the President. Likewise, copies of the President's message to the stockholders were furnished before the meeting and the reading of same was dispensed with. The President then gave the table to the Executive Vice President and Chief Financial Officer, Mr. Nilo S. Ezequiel to render a brief report on the operation of the Corporation for the fiscal year ended December 31, 2001. Mr. Ezequiel reported to the stockholders the financial highlights of the Corporation with emphasis on the following: consolidated revenue for the year ended 2001 decreased by Php99.9 million from Php1.789 billion in 2000 as against Php1.689 billion in 2001 or 6% while cost and expenses increased by Php1.08 billion from Php1.721 in 2000 compared to Php2.800 billion in 2001 or 63% that resulted in a net loss of Php943.08 million or 24% compared the previous year's operation. After some questions and clarifications thereon, it was unanimously

“RESOLVED, that the report of management on the operations of the Corporation for the fiscal year ending December 31, 2001 as well as the audited financial statements for the same period be, as they are hereby, approved.”

The Chairman then stated that the next item on the agenda was the ratification of all acts and transactions entered into by the Board of Directors and its Officers. The stockholders present were informed that copies of the management acts are available at the Head Office for verification during regular working hours of any working days. On motion duly made and seconded, it was unanimously

“RESOLVED, that the acts and transactions entered into by the Board of Directors and Officers of the Corporation on the latter's behalf during the fiscal year ended December 31, 2001 be, as it is hereby, ratified.”

The next order of business was the amendment of Article VI of the Corporation's Amended Articles of Incorporation; whereupon, on motion duly made and seconded, it was

"RESOLVED, that Article VI of the Amended Articles of Incorporation be amended as follows:

SIXTH: That the number of Directors of said Corporation shall be seven (7) and that the names, nationalities and residences of the Directors who are to serve until their successors are elected and qualified as provided by the By-Laws are follows;"

The next item on the agenda was the election of the Board of Directors of the Corporation to hold office for one year until their successor are duly elected and qualified. On motion duly made and seconded the following stockholders were unanimously elected for the ensuing year.

1. SALVADOR P. ESCAÑO
2. ANTONIO P. ESCAÑO
3. RAFAEL P. ESCAÑO
4. FERNANDO L. TRINIDAD
5. EFREN A. PALMA
6. DAVID C. GO
7. SIMEON S. UMANDAL

The next item on the agenda was the appointment of the Corporation's external auditor. Upon motion duly made and seconded, it was unanimously

"RESOLVED, that the accounting firm of SYCIP, GORRES, VELAYO (SGV) & CO. be, as it is hereby appointed external auditor of the Corporation for the current fiscal year."

There being no further business before the meeting the same was, on motion duly made and seconded, adjourned at 5:05 p. m.



SIMEON S. UMANDAL
Corporate Secretary

ATTEST:



SALVADOR P. ESCAÑO
Chairman